



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED

9-02-16
04:59 PM

Order Instituting Rulemaking into Policies)	
to Promote a Partnership Framework between)	
Energy Investor Owned Utilities and the)	Rulemaking 13-12-011
Water Sector to Promote Water-Energy)	(Filed December 19, 2013)
Nexus Programs.)	

**REPLY COMMENTS OF THE
SAN DIEGO COUNTY WATER AUTHORITY
ON INTEGRATION OF THE EMBEDDED COST OF NATURAL GAS
INTO THE WATER-ENERGY COST CALCULATOR**

September 2, 2016

Toby Roy
Water Resources Manager
SAN DIEGO COUNTY WATER AUTHORITY
4677 Overland Ave
San Diego, CA 92123
Telephone: (858) 522-6743
E-mail: TRoy@sdewa.org

**REPLY COMMENTS OF THE
SAN DIEGO COUNTY WATER AUTHORITY
ON INTEGRATION OF THE EMBEDDED COST OF NATURAL GAS
INTO THE WATER-ENERGY COST CALCULATOR**

On August 3, 2016, Commissioner Sandoval issued the *Assigned Commissioner's Ruling Requesting Comments to Support Integration of the Embedded Cost of Natural Gas into the Water-Energy Cost Calculator*. The Ruling requested comments on including the associated indirect natural gas energy it takes to move and treat water into the Water-Energy Cost Calculator ("Calculator"). Opening comments were filed in response to the Ruling by the Association of California Water Agencies and the California Municipal Utilities Association ("ACWA-CMUA"); Metropolitan Water District of Southern California ("MWD"); San Diego Gas and Electric and Southern California Gas Company ("Joint Utilities"); and Pacific Gas and Electric Company ("PG&E"). Pursuant to the Assigned Commissioner's Ruling, the San Diego County Water Authority ("Water Authority") hereby submits reply comments in response to opening comments filed by ACWA-CMUA, MWD, Joint Utilities, and PG&E.

I. INTRODUCTION

Formed in 1944, the Water Authority is a wholesale water supplier in San Diego County, providing water to 24 member agencies serving 3.2 million residents. The Water Authority imports approximately 90 percent of the water used in the county, and owns and operates a regional water infrastructure. In 2000, the California Legislature authorized the Water Authority to enter the energy market and engage in certain energy-related activities under section 5.1 of the County Water Authority Act (Senate Bill 552). The bill authorized the Water Authority to purchase federal power; to construct, own, and operate electric power generation facilities to service its or its member agencies' needs; and to purchase and transport natural gas. Water-use efficiency is an important ongoing component of the Water Authority's long-term water supply

reliability strategy and the Water Authority has supported the use of the Commission's Calculator to account for embedded energy in water and energy conservation programs.

II. REPLY COMMENTS

In response to the Commission's request for information on embedded and direct use of natural gas in the California water system not currently captured in the Calculator, the Water Authority supports comments made by the ACWA-CMUA and MWD. These comments reference a 2005 California Energy Commission ("CEC") report entitled "*California's Water-Energy Relationship*" which provides valuable information on water-related energy use in California.¹ The report found that end uses of water use more energy than any other part of the state's water use cycle, and that the vast majority of water-related natural gas consumption is primarily for heating water. The Water Authority has a long history, dating back to the early 1990's, of partnering with San Diego Gas and Electric ("SDG&E") on efficiency programs that generate water and energy savings, with a primary focus on savings from hot water for end uses. Highlights of the partnership include: commercial pre-rise spray valve installations, commercial water and energy audits, low-flow showerhead distributions, high-efficiency clothes washer incentives, water agency leak loss control, landscape efficiency, and detention facility retrofits.

The Water Authority would also like to emphasize comments by MWD that natural gas is not a significant part of urban water conveyance, treatment and distribution in California, and by ACWA-CMUA therefore, that integrating this information into the calculator would not help achieve the stated purpose of the August 2016 Ruling.^{2,3,4} The Water Authority agrees with PG&E's comments not to expand the Calculator at this point on gas-related energy, but to focus on electricity, which already accounts for natural gas used to produce and deliver water, and

¹ *California's Water-Energy Relationship*, CEC-700-2005-011-SF, Nov. 2005

² MWD Comments, at p.4

³ ACWA and CMUA Comments, at p. 4

⁴ August 2016 Ruling, at p.1

expediting implementation of the Calculator to maximize capture of the electricity related embedded energy savings.⁵

The Water Authority supports comments made that a natural gas/water/energy nexus working group is not necessary at this time as part of this proceeding.⁶ The Water Authority is interested in the results of the study being conducted by the Southern California Gas Company described in the Joint Utilities comments, and would welcome the study's findings being presented to the Commission for stakeholder comment and consideration by the Commission.⁷

Finally, the Water Authority agrees with comments by ACWA-CMUA and MWD that the Aliso Canyon State of Emergency be addressed as part of a separate proceeding from the Calculator proceeding as it has no direct relationship to the water-energy nexus.⁸

III. CONCLUSION

The Water Authority appreciates the opportunity to provide these comments and thanks the Commission for its attention to the matters discussed herein.

Dated: September 2, 2016

Respectfully submitted,

/s/

Toby Roy

Water Resources Manager

SAN DIEGO COUNTY WATER AUTHORITY

4677 Overland Ave San Diego, CA 92123

Telephone: (858) 522-6743

⁵ PG&E Comments, at p. 2

⁶ MWD Comments, at p. 7, Joint Utilities Comments, at p. 4, PG&E Comments, at p. 4

⁷ Joint Utilities Comments, at p. 3

⁸ ACWA and CMUA Comments, at p.5, and MWD Comments, at p. 7